

YoY  
Chg12-Mo.  
Forecast**3.7%**

Vacancy Rate

**-251K**

YTD Net Absorption, SF

**\$5.45**

Asking Rent, PSF



Overall, Net Asking Rent

**ECONOMIC INDICATORS  
Q3 2022**YoY  
Chg12-Mo.  
Forecast**460K**Tulsa  
Employment**3.1%**Tulsa  
Unemployment Rate**3.5%**U.S.  
Unemployment Rate

Source: BLS

**ECONOMY: Turning The Corner**

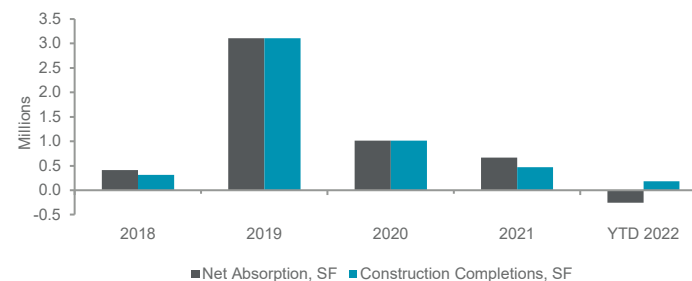
Tulsa's economy is steadily rebounding over the past year. The local economy has essentially recovered from the pandemic-induced recession with a current unemployment rate of 3.1% (down 0.4% year-over-year (YOY)) and a current workforce of 460K (up 20,000 YOY). The population of the Tulsa area has topped 1 million for the first time, adding over 7,000 new residents last year alone. The Tulsa job market continued to grow through all of 2021, with the economy just beginning to recover. Low rents, energy costs, and taxes help to make the cost of doing business in Tulsa 11% less than the national average. Tulsa's low cost of doing business continues to drive companies to the metro. With aviation, aerospace, and to some extent, oil and gas industries providing demand, the industrial market has remained stable.

**DEMAND: Consistent Pace In 2022**

The Tulsa industrial market is enjoying consistent absorption and rent growth over the past year. Overall, the industrial market is proving to be better insulated and is serving as a point of strength in the commercial real estate market compared to other assets. Consistent leasing has kept vacancy rates tight at 3.7%. In turn, annual rent growth is growing at 7.2%, the best performance on record. Demand has continued to be focused on logistics properties and development has reflected this growth, and industrial tenants in Tulsa continue to take space at a consistent pace through the first three quarters of 2022. Future demand will likely hinge on the continued growth of the e-commerce sector. The rise of medical marijuana has resulted in an increased need for overlooked and often considered obsolete-low-tier flex and warehouse space. While the total impact is still unknown, demand will likely continue for medical marijuana in the short term.

**PRICING: Industrial Rents – Warehouse Demand Reflects Increase**

Asking rents are 11% higher in warehouse space compared with manufacturing properties, with flex properties showing the highest overall rents in Q3 2022 (\$7.45 per square foot (psf)). Among the large area submarkets, the highest rents are found in Southwest (\$12.00 psf), South Central (\$9.32 psf), and Southeast (\$7.97 psf) Tulsa. In contrast, rents are typically lower in Northeast (\$4.81 psf) and North Central (\$4.00/psf) Tulsa. Tulsa's asking rents remain affordable relative to the national average and are on par with regional metros like Oklahoma City and Northwest Arkansas.

**SPACE DEMAND / DELIVERIES****OVERALL VACANCY & ASKING RENT**

# MARKETBEAT TULSA

## Industrial Q3 2022



### MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	CONSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT (MF)	OVERALL WEIGHTED AVG NET RENT (FX)	OVERALL WEIGHTED AVG NET RENT (W/D)
East Tulsa Ind	2,295,515	13,900	0.6%	137,500	131,104	21,000	137,500	N/A	\$7.00	\$8.05
Midtown Tulsa Ind	0	0	0	0	0	0	0	N/A	N/A	N/A
North Central Tulsa Ind	4,019,784	300,452	7.5%	16,279	(166,049)	0	0	\$4.00	\$6.30	\$7.29
Northeast Tulsa Ind	25,301,203	844,526	3.3%	(94,663)	(347,732)	684,616	0	\$4.98	\$5.53	\$4.81
Northwest Tulsa Ind	653,250	0	0	0	0	0	0	N/A	N/A	\$5.50
South Central Tulsa Ind	8,286,043	504,031	5.7%	(67,024)	60,014	0	0	\$5.76	\$9.32	\$4.90
South Tulsa Ind	2,978,638	6,300	0.2%	18,000	18,000	0	0	N/A	N/A	\$7.00
Southeast Tulsa Ind	10,548,119	292,613	2.8%	(91,697)	40,546	0	0	\$4.87	\$7.97	\$7.53
Southwest Tulsa Ind	258,376	3,600	1.4%	0	3,900	0	0	N/A	\$12.00	N/A
Tulsa CBD Ind	855,493	58,756	6.9%	0	31,884	0	0	N/A	N/A	\$4.00
West Tulsa Ind	10,387,470	402,995	3.0%	31,060	(23,648)	283,766	0	\$5.52	N/A	\$5.99
<b>TULSA TOTALS</b>	<b>65,865,033</b>	<b>2,427,173</b>	<b>3.7%</b>	<b>(50,545)</b>	<b>(251,981)</b>	<b>989,382</b>	<b>137,500</b>	<b>\$5.06</b>	<b>\$7.20</b>	<b>\$5.44</b>

\*Rental rates reflect weighted net asking \$psf/year

MF = Manufacturing FX = Flex W/D = Warehouse/Distribution

### KEY LEASE TRANSACTIONS Q3 2022

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
11607 E 43 <sup>rd</sup> St N	Northeast	Allied Motion	172,429	Sublease
5535 S 129 <sup>th</sup> E Ave	Northeast	SupplyOne	138,000	Direct
11333 E Pine St	Northeast	N/A	90,525	Direct

\*Renewals not included in leasing statistics

### KEY SALES TRANSACTIONS Q3 2022

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
5199-5207 N Mingo Rd	Southwest	Select Industrial Properties 0321/Mingo Road Holdings	190,117	\$3.63M/\$19.11

### KEY CONSTRUCTION COMPLETIONS YTD 2022

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
1660 N Mingo Rd	Northeast	N/A	45,000	N/A
15336 E Admiral Place South	East Tulsa	Aristocrat Gaming	137,500	N/A

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